

## Trinity Watthana Public Company Limited and its subsidiaries

### Notes to consolidated financial statements

#### For the year ended 31 December 2015

#### 1. General information

1.1 Trinity Watthana Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in investment in other companies. The registered office of the Company is at 179/111, 26th Floor, Bangkok City Tower, South Sathorn Road, Thungmahamek, Sathorn, Bangkok.

1.2 The Company invests 99.9% of the registered share capital of Trinity Securities Company Limited, a subsidiary, which operates its business in Thailand and undertakes securities businesses licenses, as follows:

1. Securities brokerage
2. Securities trading
3. Investment advisory
4. Securities underwriting
5. Securities borrowing and lending
6. Private fund asset management
7. Financial advisory
8. Derivatives agent

The registered office of the subsidiary is at 179, 25th-26th, 29th Floor, Bangkok City Tower, South Sathorn Road, Thungmahamek, Sathorn, Bangkok.

As at 31 December 2015, the subsidiary has 6 branches (2014: 6 branches).

#### 2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and in conjunction with the Notifications of the Office of the Securities and Exchange Commission. The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

## 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Trinity Watthana Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

| Company's name                        | Nature of business  | Country of incorporation | Percentage of shareholding |          |
|---------------------------------------|---------------------|--------------------------|----------------------------|----------|
|                                       |                     |                          | 2015 (%)                   | 2014 (%) |
| Trinity Securities Company Limited    | Securities business | Thailand                 | 99.99                      | 99.99    |
| Trinity Advisory 2001 Company Limited | Financial advisory  | Thailand                 | 99.99                      | 99.99    |

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- 2.3 The separate financial statements, which present investments in subsidiaries and associates under the cost method, have been prepared solely for the benefit of the public.

## 3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

### (a) Financial reporting standards that became effective in the current year

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording

and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, which are summarised below:

### **TAS 19 (revised 2014) Employee Benefits**

This revised standard requires that the entity recognises actuarial gains and losses immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiaries already recognise actuarial gains and losses immediately in other comprehensive income.

### **TFRS 10 Consolidated Financial Statements**

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 *Consolidated and Separate Financial Statements* dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Company's and its subsidiaries' financial statements.

### **TFRS 11 Joint Arrangements**

TFRS 11 supersedes TAS 31 *Interests in Joint Ventures*. This standard requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint

venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate financial statements.

This standard does not have any impact on the Company's and its subsidiaries' financial statements.

#### **TFRS 12 Disclosure of Interests in Other Entities**

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company and its subsidiaries.

#### **TFRS 13 Fair Value Measurement**

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

#### **(b) Financial reporting standards that will become effective in the future**

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

### **4. Significant accounting policies**

#### **4.1 Revenue and expense recognition**

##### **(a) Brokerage fees**

Brokerage fees on securities and derivatives trading are recognised as income on the transaction dates.

##### **(b) Fees and services income**

Service income is recognised when services have been rendered taking into account the stage of completion. Revenue is recognised when it is probable that the amount will be collected.

Management fees are calculated as a percentage of the net asset value of the funds managed by the subsidiary and recognised as income when services have been rendered.

(c) Interest on margin loans

Interest income is recognised as interest accrues based on the effective rate method, but where there is uncertainty as to the collectability of loans and interest the subsidiary ceases accrual.

In the following cases, collectability of loans and interest is held to be uncertain.

- (1) Loans which are not fully collateralised.
- (2) Installment loans with repayments scheduled less frequently than 3 months for which principal or interest is overdue by more than 3 months.
- (3) Installment loans with repayments scheduled no less frequently than 3 months, unless there is clear evidence and a high degree of certainty that full repayment will be received.
- (4) Problem financial institutions.
- (5) Other receivables from which interest payment is overdue for 3 months or more.

These conditions are based on the guidelines stipulated by the Office of the Securities and Exchange Commission.

(d) Gain (loss) on investments and derivatives

Gain (loss) on investments and derivatives are recognised as income/expense on the transaction date.

(e) Interest and dividend on investments

Interest income on investments is recognised as interest accrues based on the effective rate method. Dividends on investments are recognised when the right to receive the dividends is established.

(f) Expenses

Expenses are recognised on an accrual basis.

## 4.2 Interest on borrowing

Interest on borrowing is charged on an accrual basis.

#### **4.3 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand, all bank deposit accounts with an original maturity less than 3 months, and not subject to withdrawal restrictions, promissory notes and term notes with an original maturity less than 3 months and exclude deposits used as collateral.

#### **4.4 Long-term deposits at financial institutions**

Long-term deposits at financial institutions include fixed deposits, bills of exchange and promissory notes issued by financial institutions with an original maturity more than 3 months and deposits subject to restriction.

#### **4.5 Recognition and amortisation of customer deposits**

Cash received from customers of cash balance accounts, credit balance accounts and derivatives trading are recorded as assets and liabilities of the subsidiary for the internal control purposes. As at the end of reporting period, the subsidiary excludes these amounts from both the assets and liabilities and presents only the assets which belong to the subsidiary.

#### **4.6 Securities borrowing and lending**

The Company and its subsidiary record their its obligations to return borrowed securities which they have been sold as short selling or lent as “Securities borrowing and lending payables” in the statement of financial position. At the end of reporting period, the balance of securities borrowing and lending payables are adjusted by the latest offer price quoted on the Stock Exchange of Thailand on the last working day of the year. Gains or losses arising from such adjustment are included in profit or loss. Securities lent to customers are recorded as “Securities borrowing and lending receivables” in the statement of financial position. Cash paid or received as collateral for securities borrowing and lending is recorded as “Collateral receivables” or “Collateral payables”. Fees on securities borrowing and lending are recognised on an accrual basis over the term of the lending.

#### **4.7 Investments**

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded as a separate item in other comprehensive income, and will be recorded in profit or loss when the securities are sold.

- c) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- d) Investments in non-marketable equity securities, which the Company and its subsidiaries classify as other investments, are stated at cost net of allowance for loss on impairment (if any).
- e) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- f) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value as at the end of reporting period.

Loss on impairment (if any) of investments in available-for-sale securities, debt securities expected to be held to maturities, and other investments are included in profit or loss.

The weighted average method is used for computation of the cost of investments.

In the event the Company and its subsidiaries reclassify investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

#### **4.8 Receivables from Clearing House**

Receivables from Clearing House comprise the net receivable from Thailand Clearing House in respect of settlements for securities and derivative trading business. These also include cash collateral pledged with Thailand Clearing House for derivatives trade, net receivable from foreign securities trades settlement with the oversea brokers.

#### **4.9 Securities and derivatives business receivables and allowance for doubtful accounts**

Securities and derivatives business receivables are the net balances of securities business receivables and derivatives business receivables after deducting allowance for doubtful accounts.

In addition, securities business receivables include the net receivable balance of cash accounts, credit balance accounts, collateral receivables (which comprise cash placed as security with securities lenders) and other receivables such as overdue cash accounts and securities receivables which are the subject of legal proceedings, are undergoing restructuring or are being settled in installments.

The subsidiary has provided an allowance for doubtful debts based on a review of debtor's repayment capability, taking into consideration in recovery risk and value of collateral. An allowance will be set aside for doubtful debts that are not fully covered by collateral and/or debtors that cannot be recovered in full amount. Such debt classifications and provisions are made in accordance with the following criteria.

- (a) Debt classified as bad debt is defined as follows:
  - (1) Debts which the subsidiary has made effort to follow up, but could not collect repayment. The subsidiary has written them off in accordance with tax law.
  - (2) Debts which the subsidiary has forgiven them.
- (b) Doubtful debt is defined as the uncollateralised portion of the debt which meets the following criteria:
  - (1) Debtors in general, problem financial institution loans, and other debtors which the collateral value is less than the debts.
  - (2) Installment loans with repayments scheduled no more than 3 months for each installment, which principal or interest is overdue by more than 3 months.
  - (3) Installment loans with repayments scheduled no less than 3 months for each installment, unless there is clear evidence and a high degree of certainty that full is recovered.
- (c) Substandard debt is defined as the collateralised portion of loans which meet the criteria in (b).



Loans classified as bad debt will be written off when identified. Full provision of the loan balance will be set aside for loans classified as doubtful. These conditions are based on the guidelines stipulated by the Office of the Securities and Exchange Commission.

#### 4.10 Premises improvement and equipment and depreciation

Premises improvement and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of premises improvement and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

|                      |             |
|----------------------|-------------|
| Furniture & fixtures | 5 years     |
| Office equipment     | 3 - 5 years |
| Motor vehicles       | 5 years     |

Depreciation is included in determining income.

No depreciation is provided on work under installation.

An item of premises improvement and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### 4.11 Intangible assets and amortisation

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

|                      | <u>Useful lives</u> |
|----------------------|---------------------|
| Deferred license fee | 5 - 10 years        |
| Computer software    | 3 - 10 years        |
| Others               | 2 - 8 years         |

#### **4.12 Goodwill**

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

#### **4.13 Impairment of assets**

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the premises improvement and equipment, and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

#### **4.14 Payables to Clearing House**

Payables to Clearing House comprises the net payable to Thailand Clearing House (TCH) for settlement of equity securities trades made through the Stock Exchange of Thailand, net payable for derivatives trade made through the Thailand Futures Exchange, and net payable to foreign securities trade settlement with overseas brokers.

#### **4.15 Securities and derivatives business payables**

Securities and derivatives business payables are the obligations of the subsidiary in respect of its securities and derivatives business with outside parties, such as the net payable balances of cash accounts, securities delivery obligations as a result of short sales or securities borrowing, and obligations to return assets held by the Company and subsidiary as collateral for securities lending.

#### **4.16 Related party transactions**

Related parties comprise enterprises and individuals that control, or are controlled by, the Company and its subsidiaries, whether directly or indirectly, or which are under common control with the Company and its subsidiaries.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company and its subsidiaries that give them significant influence over the Company and its subsidiaries, key management personnel, directors, and officers with authority in the planning and direction of the Company and its subsidiaries' operations.

#### **4.17 Long-term leases**

Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

#### **4.18 Foreign currency**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currency are translated into Baht at the exchange rate ruling at the date of transaction. Monetary assets and liabilities dominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Exchange gains and losses are included in determining income.

#### **4.19 Employee benefits**

##### ***Short-term employee benefits***

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

## ***Post-employment benefits***

### *Defined contribution plans*

The Company and its subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries' contributions are recognised as expenses when incurred.

### *Defined benefit plans*

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary, based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in 2011.

## **4.20 Provisions**

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

## **4.21 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

**Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

**4.22 Financial derivatives****Futures contracts**

The subsidiary initially recognises future contracts at fair value. Obligations under derivatives business are regarded as the subsidiary's commitments. Amounts pledged as securities for these derivatives are recorded as receivable at Thailand Clearing House. Subsequently, as at reporting date, the futures contracts are presented at their fair value, which calculated with reference to the daily settlement prices quoted by Thailand Futures Exchange Public Company Limited on the last business day of the year. Unrealised gain or loss resulting from changes in the fair value is included in the profit or loss.

**Options contracts**

The subsidiary initially recognises options contracts at fair value. The subsidiary recorded the premium paid (long position) and the premium received (short position) under options contracts as at trade date as derivative assets and derivative liabilities, respectively. Subsequently, as at reporting date, the options contracts are presented at their fair value, which calculated with reference to the daily settlement prices quoted by Thailand Futures Exchange Public Company Limited on the last business day of the year. Unrealised gain or loss resulting from changes in the fair value is included in the profit or loss.

### **Forward exchange contracts**

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrealised gain or loss from the translation is included in determining income. Premiums or discounts on forward exchange contracts are amortised on a straight-line basis over the contract periods.

#### **4.23 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

#### **5. Significant accounting judgments and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates.

Significant accounting judgements and estimates are as follows:

### **Recognition and derecognising of assets and liabilities**

In considering whether to recognise or to derecognise assets or liabilities, the management is required to make judgement on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

### **Impairment of investments**

The Company and its subsidiaries will treat available-for-sale equity investments, held-to-maturity debt securities and non-marketable equity investments as impaired when the management judge that there has been a significant or prolonged decline in the fair value below their cost, together with investments in businesses that have been severely impacted by the global economic slowdown and take time to recover to their fair values or where other evidence of impairment exists. However, the use of different estimates and assumptions could affect the amounts of allowances for impairment of investment in such investments and adjustments to the allowances may be required in the future.

### **Allowance for doubtful accounts for securities and derivatives business receivables**

Allowances for doubtful accounts for securities and derivatives business receivables are intended to adjust the values of loans and receivables for probable credit losses. The management uses judgement to establish reserves for estimated losses for each outstanding loan and receivable by taking into account collection risk and the value of the securities used as collateral. However, the use of different estimates and assumptions could affect the amounts of allowances for doubtful accounts and adjustments to the allowances may therefore be required in the future.

### **Premises improvement and equipment and depreciation**

In determining depreciation of premises improvement and equipment, the management is required to make estimates of the useful lives and salvage values of the subsidiaries' premises improvement and equipment and to review estimate useful lives and salvage values when there are any changes.

In addition, the management is required to review premises improvement and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

### **Goodwill and intangible assets**

The initial recognition and measurement of goodwill and other intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

### **Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

### **Post employment benefits under defined benefit plans**

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

### **Fair value of financial instruments**

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

## **6. Related party transactions**

The relationships between the Company and its related parties are summarised below:

| Name of related parties               | Relationship with the Company     |
|---------------------------------------|-----------------------------------|
| Trinity Securities Company Limited    | Subsidiary                        |
| Trinity Advisory 2001 Company Limited | Subsidiary                        |
| Asset Backed Holdings Limited         | Associate                         |
| Conduit Management Services Limited   | Under the control of an associate |

During the years, the Company and its subsidiaries had significant business transactions with related parties, which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between the Company and those companies. Below is a summary of those transactions.



(Unit: Thousand Baht)

|  | Consolidated financial statements |      | Separate financial statements |         | Transfer Pricing Policy  |
|--|-----------------------------------|------|-------------------------------|---------|--|
|  | 2015                              | 2014 | 2015                          | 2014    |  |
| <b><u>Related party transactions</u></b> |                                   |      |                               |         |  |
| Brokerage fees from securities business  |                                   |      |                               |         | At normal rate charged to other clients, in accordance   |
| - Related persons                        | 472                               | 166  | -                             | -       | with Association of Thai Securities Companies' notification  |
| Brokerage fees from derivatives business |                                   |      |                               |         | At normal rate charged to other clients, in accordance   |
| - Related persons                        | 90                                | 63   | -                             | -       | with Association of Thai Securities Companies' notification  |
| Management service income                |                                   |      |                               |         | Contract price   |
| - Subsidiary                             | -                                 | -    | 10,200                        | 10,200  |  |
| Dividend income                          |                                   |      |                               |         |  |
| - Subsidiaries                           | -                                 | -    | 120,000                       | 185,000 | Baht 1 per share (2014: Baht 1.50 and 5 per share)   |
| - Associate                              | -                                 | -    | 750                           | 500     | Normal rate declared to ordinary investors   |
| Interest income                          |                                   |      |                               |         | Market price and saving  |
| - Subsidiaries                           | -                                 | -    | 1,600                         | 330     | deposit interest rate plus 0.50% - 0.75% per annum (2014: saving deposit interest rate plus 0.50% - 1.00% per annum) |
| Interest expenses                        |                                   |      |                               |         | Saving deposit interest rate   |
| - Subsidiaries                           | -                                 | -    | 306                           | 1,113   | plus 0.25% - 1.00% per annum   |
| Management service expenses              |                                   |      |                               |         | Contract price   |
| - Subsidiary                             | -                                 | -    | 600                           | 600     |  |
| Brokerage fee                            |                                   |      |                               |         | At the subsidiary's normal   |
| - Subsidiary                             | -                                 | -    | 36,563                        | 47,712  | rate charged to other clients, in accordance with Association of Thai Securities Companies' notification             |

The balances of the accounts as at 31 December 2015 and 2014 between the Company and those related parties are as follows:

(Unit: Thousand Baht)

|   | Relationship    | Consolidated financial statements |       | Separate financial statements |         |
|---|-----------------|-----------------------------------|-------|-------------------------------|---------|
|   |                 | 2015                              | 2014  | 2015                          | 2014    |
| <b>Outstanding balances of the transactions</b> |                 |                                   |       |                               |         |
| Securities and derivatives business receivables |                 |                                   |       |                               |         |
| Directors of the Company and related parties    | Related persons | 7,540                             | 8,521 | -                             | -       |
| Other receivables - subsidiary                  |                 |                                   |       |                               |         |
| Trinity Securities Company Limited              | Subsidiary      | -                                 | -     | 31,661                        | 40,138  |
| Dividend receivable                             |                 |                                   |       |                               |         |
| Trinity Securities Company Limited              | Subsidiary      | -                                 | -     | 60,000                        | 108,000 |
| Short-term loans to subsidiary                  |                 |                                   |       |                               |         |
| Trinity Securities Company Limited              | Subsidiary      | -                                 | -     | 707,000                       | 122,000 |
| Short-term loans from subsidiaries              |                 |                                   |       |                               |         |
| Trinity Advisory 2001 Company Limited           | Subsidiary      | -                                 | -     | 7,000                         | 11,000  |
| Securities and derivatives business payables    |                 |                                   |       |                               |         |
| Directors of the Company and related parties    | Related persons | 6,022                             | 3,428 | -                             | -       |
| Other payables - related parties                |                 |                                   |       |                               |         |
| Trinity Securities Company Limited              | Subsidiary      | -                                 | -     | 11,687                        | 1,615   |

Short-term loans to subsidiary carry interest at saving deposit interest rate plus 0.50% - 0.75% per annum and to be due at call. Movements in the balances of the loans during the year 2015 were as follows:

(Unit: Thousand Baht)

|                                       | Balance as at<br>1 January 2015 | Separate financial statements |              | Balance as at<br>31 December 2015 |
|---------------------------------------|---------------------------------|-------------------------------|--------------|-----------------------------------|
|                                       |                                 | During the year               |              |                                   |
|                                       |                                 | Increase                      | Decrease     |                                   |
| <b>Short-term loans to subsidiary</b> |                                 |                               |              |                                   |
| Trinity Securities Company Limited    | 122,000                         | 21,768,000                    | (21,183,000) | 707,000                           |

Short-term loans from subsidiaries carry interest at saving deposit interest rate plus 0.25% - 0.75% per annum and to be due at call. Movements in the balances of the loans during the year 2015 were as follows:

(Unit: Thousand Baht)

|   | Separate financial statements   |                 |             | Balance as at<br>31 December 2015 |
|---|---------------------------------|-----------------|-------------|-----------------------------------|
|   | Balance as at<br>1 January 2015 | During the year |             |                                   |
|   |                                 | Increase        | Decrease    |                                   |
| <b>Short-term loans from subsidiaries</b> |                                 |                 |             |                                   |
| Trinity Securities Company Limited        | -                               | 7,447,000       | (7,447,000) | -                                 |
| Trinity Advisory 2001 Company Limited     | 11,000                          | 43,000          | (47,000)    | 7,000                             |

### Directors and management's benefits

During the years ended 31 December 2015 and 2014, the Company and its subsidiaries had employee benefit payable to their directors and management as follows:

(Unit: Thousand Baht)

|                          | Consolidated<br>financial statements |               | Separate<br>financial statements |               |
|--------------------------|--------------------------------------|---------------|----------------------------------|---------------|
|                          | 2015                                 | 2014          | 2015                             | 2014          |
|                          | Short-term benefits                  | 81,779        | 90,997                           | 10,960        |
| Post-employment benefits | 7,083                                | 2,165         | -                                | -             |
| <b>Total</b>             | <b>88,862</b>                        | <b>93,162</b> | <b>10,960</b>                    | <b>13,060</b> |

The Company provided the other employee benefits to its directors and management. In the year 2015, the Company purchased liability insurance amounting to Baht 50 million for directors and management of the Company and its subsidiaries (2014: Baht 50 million).

## 7. Cash and cash equivalents

(Unit: Thousand Baht)

|   | Consolidated<br>financial statements |                | Separate<br>financial statements |              |
|---|--------------------------------------|----------------|----------------------------------|--------------|
|   | 2015                                 | 2014           | 2015                             | 2014         |
|   | Cash on hand                         | 165            | 158                              | -            |
| Deposits at financial institutions                  | 198,019                              | 17,452         | 1,595                            | 1,608        |
| Promissory note with maturity<br>less than 3 months | 272,896                              | 226,000        | -                                | -            |
| <b>Total cash and cash equivalents</b>              | <b>471,080</b>                       | <b>243,610</b> | <b>1,595</b>                     | <b>1,608</b> |
| Less: Deposits for customers' account               | (409,237)                            | (166,493)      | -                                | -            |
| <b>Net cash and cash equivalents</b>                | <b>61,843</b>                        | <b>77,117</b>  | <b>1,595</b>                     | <b>1,608</b> |

## 8. Investments

### 8.1 Cost and fair value

(Unit: Thousand Baht)

|   | Consolidated financial statements |                |                         |                |
|---|-----------------------------------|----------------|-------------------------|----------------|
|   | 2015                              |                | 2014                    |                |
|   | Cost/<br>Amortised cost           | Fair value     | Cost/<br>Amortised cost | Fair value     |
| <b>Current investments</b>  |                                   |                |                         |                |
| <u>Long-term deposits at financial institutions</u>                     |                                   |                |                         |                |
| Fixed deposit notes with maturity<br>over 3 months but less than 1 year | 400,100                           | 400,100        | 130,000                 | 130,000        |
| Promissory notes with maturity<br>over 3 months but less than 1 year    | 305,000                           | 305,000        | 445,000                 | 445,000        |
| Less: Deposits for customers' accounts                                  | (705,100)                         | (705,100)      | (575,000)               | (575,000)      |
| Net long-term deposits at financial institutions                        | -                                 | -              | -                       | -              |
| <u>Trading securities</u>   |                                   |                |                         |                |
| Equity securities   |                                   |                |                         |                |
| Listed securities   | 108,017                           | 100,613        | 36,978                  | 32,099         |
| Less: Changes in fair value of securities                               | (7,404)                           | -              | (4,879)                 | -              |
| Net equity securities   | 100,613                           | 100,613        | 32,099                  | 32,099         |
| Debt securities   |                                   |                |                         |                |
| Corporate and government debt securities                                | 50,438                            | 51,428         | 33,818                  | 34,635         |
| Add: Changes in fair value of securities                                | 990                               | -              | 817                     | -              |
| Net debt securities   | 51,428                            | 51,428         | 34,635                  | 34,635         |
| Total net trading securities  | 152,041                           | 152,041        | 66,734                  | 66,734         |
| <u>Available-for-sale securities</u>                                    |                                   |                |                         |                |
| Debt securities   |                                   |                |                         |                |
| Bills of exchange   | 208,982                           | 207,826        | 183,239                 | 181,842        |
| Less: Discount  | (1,156)                           | -              | (1,397)                 | -              |
| Net debt securities   | 207,826                           | 207,826        | 181,842                 | 181,842        |
| Total net available-for-sale securities                                 | 207,826                           | 207,826        | 181,842                 | 181,842        |
| <b>Total current investments - net</b>                                  | <b>359,867</b>                    | <b>359,867</b> | <b>248,576</b>          | <b>248,576</b> |
| <b>Long-term investments</b>  |                                   |                |                         |                |
| <u>Available-for-sale securities</u>                                    |                                   |                |                         |                |
| Equity securities   |                                   |                |                         |                |
| Listed securities   | 188,170                           | 133,050        | 188,170                 | 165,694        |
| Less: Changes in fair value of securities                               | (55,120)                          | -              | (22,476)                | -              |
| Net listed securities   | 133,050                           | 133,050        | 165,694                 | 165,694        |
| Equity securities   |                                   |                |                         |                |
| Unit trusts   | 5,050                             | 4,560          | 5,050                   | 4,780          |
| Less: Changes in fair value of securities                               | (490)                             | -              | (270)                   | -              |
| Net unit trusts   | 4,560                             | 4,560          | 4,780                   | 4,780          |
| Total net available-for-sale securities                                 | 137,610                           | 137,610        | 170,474                 | 170,474        |
| <u>Non-marketable securities</u>  |                                   |                |                         |                |
| Other securities  | 7,800                             |                | 7,800                   |                |
| Total non-marketable securities   | 7,800                             |                | 7,800                   |                |
| <b>Total long-term investments - net</b>                                | <b>145,410</b>                    |                | <b>178,274</b>          |                |
| <b>Total investments - net</b>  | <b>505,277</b>                    |                | <b>426,850</b>          |                |

(Unit: Thousand Baht)

|   | Separate financial statements |              |                         |              |
|---|-------------------------------|--------------|-------------------------|--------------|
|   | 2015                          |              | 2014                    |              |
|   | Cost/<br>Amortised cost       | Fair value   | Cost/<br>Amortised cost | Fair value   |
| <b>Current investments</b>                |                               |              |                         |              |
| <i>Trading securities</i>                 |                               |              |                         |              |
| Equity securities                         |                               |              |                         |              |
| Listed securities                         | 6,301                         | 6,170        | 2,522                   | 2,370        |
| Less: Changes in fair value of securities | (131)                         | -            | (152)                   | -            |
| Total net trading securities              | 6,170                         | 6,170        | 2,370                   | 2,370        |
| <b>Total current investments - net</b>    | <b>6,170</b>                  | <b>6,170</b> | <b>2,370</b>            | <b>2,370</b> |
| <b>Long-term investments</b>              |                               |              |                         |              |
| <i>Available-for-sale securities</i>      |                               |              |                         |              |
| Equity securities                         |                               |              |                         |              |
| Listed securities                         | 188,170                       | 133,050      | 188,170                 | 165,694      |
| Less: Changes in fair value of securities | (55,120)                      | -            | (22,476)                | -            |
| Net equity securities                     | 133,050                       | 133,050      | 165,694                 | 165,694      |
| Total net available-for-sale securities   | 133,050                       | 133,050      | 165,694                 | 165,694      |
| <i>Non-marketable securities</i>          |                               |              |                         |              |
| Other securities                          | 7,800                         |              | 7,800                   |              |
| Total non-marketable securities           | 7,800                         |              | 7,800                   |              |
| <b>Total long-term investments - net</b>  | <b>140,850</b>                |              | <b>173,494</b>          |              |
| <b>Total investments - net</b>            | <b>147,020</b>                |              | <b>175,864</b>          |              |

## 8.2 Fair value of obligated investments in equity securities

(Unit: Thousand Baht)

|   | Consolidated         |      | Separate             |      |
|---|----------------------|------|----------------------|------|
|   | financial statements |      | financial statements |      |
|   | 2015                 | 2014 | 2015                 | 2014 |
| <b>Securities borrowing and not yet due</b> |                      |      |                      |      |
| Equity securities                           | 17,949               | -    | -                    | -    |
| Total obligated investments                 | 17,949               | -    | -                    | -    |

8.3 As at 31 December 2015 and 2014, Trinity Securities Company Limited, the Company's subsidiary, classified its available-for-sale debt securities by remaining period to maturity as follows:

(Unit: Thousand Baht)

|   | Consolidated financial statement |           |                 |                |
|---|----------------------------------|-----------|-----------------|----------------|
|   | 2015                             |           |                 |                |
|   | Period to maturity               |           |                 |                |
|   | Within<br>1 year                 | 1-5 years | Over<br>5 years | Total          |
| <b>Available-for-sale debt securities</b> |                                  |           |                 |                |
| Bills of exchange                         | 208,982                          | -         | -               | 208,982        |
| Less: Discount                            | (1,156)                          | -         | -               | (1,156)        |
| Net                                       | 207,826                          | -         | -               | 207,826        |
| <b>Total</b>                              | <b>207,826</b>                   | <b>-</b>  | <b>-</b>        | <b>207,826</b> |

(Unit: Thousand Baht)

|   | Consolidated financial statement |           |                 |                |
|---|----------------------------------|-----------|-----------------|----------------|
|   | 2014                             |           |                 |                |
|   | Period to maturity               |           |                 |                |
|   | Within<br>1 year                 | 1-5 years | Over<br>5 years | Total          |
| <b>Available-for-sale debt securities</b> |                                  |           |                 |                |
| Bills of exchange                         | 183,239                          | -         | -               | 183,239        |
| Less: Discount                            | (1,397)                          | -         | -               | (1,397)        |
| Net                                       | 181,842                          | -         | -               | 181,842        |
| <b>Total</b>                              | <b>181,842</b>                   | <b>-</b>  | <b>-</b>        | <b>181,842</b> |

## 8.4 Loss on re-measuring available-for-sale investments

(Unit: Thousand Baht)

|  | Consolidated<br>financial statements |                 | Separate<br>financial statements |                 |
|--|--------------------------------------|-----------------|----------------------------------|-----------------|
|  | 2015                                 | 2014            | 2015                             | 2014            |
| Balance - beginning of the year                | (24,546)                             | (203)           | (24,331)                         | -               |
| Changes during the year<br>(net of income tax) |                                      |                 |                                  |                 |
| - from revaluation                             | (26,291)                             | (24,343)        | (26,114)                         | (24,331)        |
| Balance - end of the year                      | <u>(50,837)</u>                      | <u>(24,546)</u> | <u>(50,445)</u>                  | <u>(24,331)</u> |

## 8.5 Gain (loss) on securities trading

(Unit: Thousand Baht)

|  | Consolidated         |               | Separate             |               |
|--|----------------------|---------------|----------------------|---------------|
|  | financial statements |               | financial statements |               |
|  | 2015                 | 2014          | 2015                 | 2014          |
| Unrealised gain (loss) on trading securities and derivatives | (2,391)              | (1,971)       | 21                   | (4,098)       |
| Gain (loss) on sales of trading securities                   | 7,570                | 82,728        | 34,391               | 24,488        |
| Gain (loss) on sales of available-for-sale securities        | 1,470                | 871           | -                    | -             |
| <b>Total</b>   | <b>6,649</b>         | <b>81,628</b> | <b>34,412</b>        | <b>20,390</b> |

## 9. Receivables from Clearing House

(Unit: Thousand Baht)

|   | Consolidated         |                | Separate             |          |
|---|----------------------|----------------|----------------------|----------|
|   | financial statements |                | financial statements |          |
|   | 2015                 | 2014           | 2015                 | 2014     |
| Receivables from Clearing House                               | 191,952              | 248,566        | -                    | -        |
| Receivables from foreign securities company                   | -                    | 3,098          | -                    | -        |
| Less: Receivables from Clearing House for customers' accounts | (23,976)             | (14,747)       | -                    | -        |
| <b>Net receivables from Clearing House</b>                    | <b>167,976</b>       | <b>236,917</b> | <b>-</b>             | <b>-</b> |

## 10. Securities and derivatives business receivables

(Unit: Thousand Baht)

|  | Consolidated         |                  | Separate             |          |
|--|----------------------|------------------|----------------------|----------|
|  | financial statements |                  | financial statements |          |
|  | 2015                 | 2014             | 2015                 | 2014     |
| <b>Securities business receivables</b>       |                      |                  |                      |          |
| Cash customers' accounts                     | 76,979               | 458,538          | -                    | -        |
| Credit balance accounts                      | 2,237,943            | 2,304,926        | -                    | -        |
| Collateral receivables                       | 20,797               | -                | -                    | -        |
| Other receivables                            | 68,087               | 69,006           | -                    | -        |
| <b>Total securities business receivables</b> | <b>2,403,806</b>     | <b>2,832,470</b> | <b>-</b>             | <b>-</b> |
| Less: Allowance for doubtful accounts        | (68,087)             | (69,006)         | -                    | -        |
| <b>Net securities business receivables</b>   | <b>2,335,719</b>     | <b>2,763,464</b> | <b>-</b>             | <b>-</b> |

(Unit: Thousand Baht)

|  | Consolidated         |           | Separate             |      |
|--|----------------------|-----------|----------------------|------|
|  | financial statements |           | financial statements |      |
|  | 2015                 | 2014      | 2015                 | 2014 |
| <b>Derivatives business receivables</b>                |                      |           |                      |      |
| Derivatives business receivables                       | 889                  | 542       | -                    | -    |
| Other receivables                                      | 55                   | 55        | -                    | -    |
| Total derivatives business receivables                 | 944                  | 597       | -                    | -    |
| Less: Allowance for doubtful accounts                  | (55)                 | (55)      | -                    | -    |
| Net derivatives business receivables                   | 889                  | 542       | -                    | -    |
| Net securities and derivatives<br>business receivables | 2,336,608            | 2,764,006 | -                    | -    |

10.1 As at 31 December 2015 Trinity Securities Company Limited, the Company's subsidiary, have customers' accounts of approximately Baht 68 million (2014: Baht 69 million) for which it has stopped recognising interest income.

10.2 Trinity Securities Company Limited, the Company's subsidiary, have classified securities business receivables in accordance with the Notification of the Office of the Securities and Exchange Commission on the non-performing receivables. As at 31 December 2015 and 2014, securities business receivables are classified as follows:

(Unit: Million Baht)

|                   | Consolidated financial statements |  |   |                                 |  |   |
|-------------------|-----------------------------------|--|---|---------------------------------|--|---|
|                   | 2015                              |  |   | 2014                            |  |   |
|                   | Securities business receivables   | Allowance for doubtful accounts set up by the subsidiary | Net securities business receivables after allowance for doubtful accounts | Securities business receivables | Allowance for doubtful accounts set up by the subsidiary | Net securities business receivables after allowance for doubtful accounts |
| Normal debts      | 2,336                             | -  | 2,336   | 2,763                           | -  | 2,763   |
| Substandard debts | -                                 | -  | -   | -                               | -  | -   |
| Doubtful debts    | 68                                | (68)   | -   | 69                              | (69)   | -   |
| Total             | 2,404                             | (68)   | 2,336   | 2,832                           | (69)   | 2,763   |



**11. Allowance for doubtful accounts**

(Unit: Thousand Baht)

|                                      | Consolidated         |         | Separate             |      |
|--------------------------------------|----------------------|---------|----------------------|------|
|                                      | financial statements |         | financial statements |      |
|                                      | 2015                 | 2014    | 2015                 | 2014 |
| Balance - beginning of the year      | 69,061               | 76,802  | -                    | -    |
| Add: Allowance for doubtful accounts | 81                   | 220     | -                    | -    |
| Less: Bad debt recoverable           | (1,000)              | (7,929) | -                    | -    |
| Bad debt written-off                 | -                    | (32)    | -                    | -    |
| Balance - end of the year            | 68,142               | 69,061  | -                    | -    |

**12. Other receivables**

(Unit: Thousand Baht)

|  | Consolidated         |        | Separate             |         |
|--|----------------------|--------|----------------------|---------|
|  | financial statements |        | financial statements |         |
|  | 2015                 | 2014   | 2015                 | 2014    |
| Accrued income                             | 21,394               | 46,604 | 3,096                | 1,847   |
| Other receivables - subsidiary (Note 6)    | -                    | -      | 31,661               | 40,138  |
| Dividend receivables - subsidiary (Note 6) | -                    | -      | 60,000               | 108,000 |
| Total other receivables                    | 21,394               | 46,604 | 94,757               | 149,985 |

**13. Short-term loans to others**

As at 31 December 2015, the Company has loans to others amounting to Baht 452 million (2014: 300 million) carry interest at 6.00% - 7.50% per annum and to be due within March 2016 and secured by a pledge of the borrower's securities.

**14. Investments in subsidiaries**

Details of investments in subsidiaries as presented in the separate financial statements are as follows:

| Company's name                        | Paid-up capital |                | Shareholding percentage |      |
|---------------------------------------|-----------------|----------------|-------------------------|------|
|                                       | 2015            | 2014           | 2015                    | 2014 |
|                                       | (Million Baht)  | (Million Baht) | (%)                     | (%)  |
| Trinity Securities Company Limited    | 1,200           | 1,200          | 99.9                    | 99.9 |
| Trinity Advisory 2001 Company Limited | 10              | 10             | 99.9                    | 99.9 |

(Unit: Thousand Baht)

| Company's name                        | Separate financial statements |           |   |      |   |           |                   |         |
|---------------------------------------|-------------------------------|-----------|---|------|---|-----------|-------------------|---------|
|                                       | Cost                          |           | Allowance for impairment of investments |      | Carrying amounts based on the cost method - net |           | Dividend received |         |
|                                       | 2015                          | 2014      | 2015                                    | 2014 | 2015  | 2014      | 2015              | 2014    |
| Trinity Securities Company Limited    | 1,169,803                     | 1,169,803 | -                                       | -    | 1,169,803                                       | 1,169,803 | 120,000           | 180,000 |
| Trinity Advisory 2001 Company Limited | 10,000                        | 10,000    | -                                       | -    | 10,000  | 10,000    | -                 | 5,000   |
| Total                                 | 1,179,803                     | 1,179,803 | -                                       | -    | 1,179,803                                       | 1,179,803 | 120,000           | 185,000 |

## 15. Investment in associate

### 15.1 Details of investment in associate

(Unit: Thousand Baht)

| Company's name                | Nature of business            | Country of incorporation | Consolidated financial statements |      |      |      |   |       |
|-------------------------------|-------------------------------|--------------------------|-----------------------------------|------|------|------|---|-------|
|                               |                               |                          | Shareholding percentage           |      | Cost |      | Carrying amounts based on the equity method |       |
|                               |                               |                          | 2015                              | 2014 | 2015 | 2014 | 2015  | 2014  |
|                               |                               |                          | (%)                               | (%)  |      |      |   |       |
| Asset Backed Holdings Limited | Investments in securitisation | Thailand                 | 49.9                              | 49.9 | 50   | 50   | 3,552                                       | 3,561 |

(Unit: Thousand Baht)

| Company's name                | Nature of business            | Country of incorporation | Separate financial statements |      |       |       |   |       |
|-------------------------------|-------------------------------|--------------------------|-------------------------------|------|-------|-------|---|-------|
|                               |                               |                          | Shareholding percentage       |      | Cost  |       | Carrying amounts based on the cost method - net |       |
|                               |                               |                          | 2015                          | 2014 | 2015  | 2014  | 2015  | 2014  |
|                               |                               |                          | (%)                           | (%)  |       |       |   |       |
| Asset Backed Holdings Limited | Investments in securitisation | Thailand                 | 49.9                          | 49.9 | 3,532 | 3,532 | 3,532   | 3,532 |

In addition, Asset Backed Holdings Limited which operates its business in Thailand and its principal activity is investments in securitisation entities authorised by the Office of the Securities and Exchange Commission invested in subsidiaries in the percentage of shareholding as follows:

| Subsidiary of Asset Backed Holdings Limited | Type of business                                | Percentage of shareholding |      |
|---|---|----------------------------|------|
|   |   | 2015                       | 2014 |
|   |   | (%)                        | (%)  |
| Conduit Management Services Limited         | Management service for special purpose vehicles | 100                        | 100  |

### 15.2 Share of comprehensive income and dividend received

During the years, the Company has recognised its share of profit from investment in associate in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

|                                 | Consolidated financial statements            |      | Separate financial statements |      |
|---------------------------------|--|------|-------------------------------|------|
|                                 | Share of profit from investment in associate |      | Dividend received             |      |
|                                 | 2015   | 2014 | 2015                          | 2014 |
| Asset Backed Holdings Limited * | 740  | 716  | 750                           | 500  |

\* The Company's interest in the equity of Asset Backed Holdings Limited was calculated based on the financial statements with prepared by the affiliated company's management and has not yet been audited by its auditor.

## 15.3 Summarised financial information of associate

(Unit: Million Baht)

| Company's name                | Paid-up capital |             | Total assets as at |      | Total liabilities as at |      | Total revenues for |      | Profit for the |      |
|-------------------------------|-----------------|-------------|--------------------|------|-------------------------|------|--------------------|------|----------------|------|
|                               | as at           |             | 31 December        |      | 31 December             |      | the years ended    |      | years ended    |      |
|                               | 31 December     | 31 December | 2015               | 2014 | 2015                    | 2014 | 2015               | 2014 | 2015           | 2014 |
| Asset Backed Holdings Limited | 0.1             | 0.1         | 4.8                | 5.1  | -                       | -    | 1.7                | 1.8  | 1.5            | 1.4  |

## 16. Premises improvements and equipment

(Unit: Thousand Baht)

Consolidated financial statements

|                                    | Furniture and fixtures | Office equipment | Motor vehicles | Work under installation | Total    |
|------------------------------------|------------------------|------------------|----------------|-------------------------|----------|
| <b>Cost:</b>                       |                        |                  |                |                         |          |
| 1 January 2014                     | 48,784                 | 101,956          | 23,329         | 1,324                   | 175,393  |
| Additions                          | 256                    | 4,580            | 7,146          | -                       | 11,982   |
| Disposals                          | (1,151)                | (5,120)          | (6,807)        | -                       | (13,078) |
| Write-off                          | (2,682)                | (1,923)          | -              | -                       | (4,605)  |
| Transfer                           | -                      | 1,324            | -              | (1,324)                 | -        |
| 31 December 2014                   | 45,207                 | 100,817          | 23,668         | -                       | 169,692  |
| Additions                          | 518                    | 3,239            | -              | 5,632                   | 9,389    |
| Disposals                          | (70)                   | (564)            | (1,040)        | -                       | (1,674)  |
| Write-off                          | (106)                  | (15,808)         | -              | -                       | (15,914) |
| 31 December 2015                   | 45,549                 | 87,684           | 22,628         | 5,632                   | 161,493  |
| <b>Accumulated depreciation:</b>   |                        |                  |                |                         |          |
| 1 January 2014                     | 41,436                 | 84,390           | 14,963         | -                       | 140,789  |
| Depreciation for the year          | 2,016                  | 7,713            | 3,656          | -                       | 13,385   |
| Depreciation on disposals          | (493)                  | (4,614)          | (6,809)        | -                       | (11,916) |
| Depreciation on write-off          | (2,673)                | (1,882)          | (40)           | -                       | (4,595)  |
| 31 December 2014                   | 40,286                 | 85,607           | 11,770         | -                       | 137,663  |
| Depreciation for the year          | 1,898                  | 7,556            | 4,293          | -                       | 13,747   |
| Depreciation on disposals          | (70)                   | (564)            | (834)          | -                       | (1,468)  |
| Depreciation on write-off          | (20)                   | (15,807)         | -              | -                       | (15,827) |
| 31 December 2015                   | 42,094                 | 76,792           | 15,229         | -                       | 134,115  |
| <b>Net book value:</b>             |                        |                  |                |                         |          |
| 31 December 2014                   | 4,921                  | 15,210           | 11,898         | -                       | 32,029   |
| 31 December 2015                   | 3,455                  | 10,892           | 7,399          | 5,632                   | 21,746   |
| <b>Depreciation for the years:</b> |                        |                  |                |                         |          |
| 2014                               |                        |                  |                |                         | 13,385   |
| 2015                               |                        |                  |                |                         | 13,747   |

As at 31 December 2015 certain premises improvement and equipment have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated amortisation) of those assets amounted to approximately Baht 95 million (2014: Baht 111 million).

## 17. Intangible assets

(Unit: Thousand Baht)

|   | Consolidated financial statements |                      |        |   |        |
|---|-----------------------------------|----------------------|--------|---|--------|
|   | Deferred<br>license fee           | Computer<br>software | Others | Computer<br>software<br>under<br>installation | Total  |
| <b>Cost:</b>                              |                                   |                      |        |   |        |
| 1 January 2014                            | 4,206                             | 31,970               | 2,802  | -   | 38,978 |
| Acquisitions                              | -                                 | 1,602                | 282    | -   | 1,884  |
| Disposal                                  | -                                 | -                    | (178)  | -   | (178)  |
| 31 December 2014                          | 4,206                             | 33,572               | 2,906  | -   | 40,684 |
| Acquisitions                              | -                                 | 594                  | 168    | 812   | 1,574  |
| Disposal                                  | -                                 | -                    | (45)   | -   | (45)   |
| 31 December 2014                          | 4,206                             | 34,166               | 3,029  | 812   | 42,213 |
| <b>Amortisation:</b>                      |                                   |                      |        |   |        |
| 1 January 2014                            | 2,091                             | 26,129               | 284    | -   | 28,504 |
| Amortised charged<br>for the year         | 421                               | 2,121                | 616    | -   | 3,158  |
| Disposal                                  | -                                 | -                    | (178)  | -   | (178)  |
| 31 December 2014                          | 2,512                             | 28,250               | 722    | -   | 31,484 |
| Amortised charged<br>for the year         | 421                               | 1,803                | 640    | -   | 2,864  |
| Disposal                                  | -                                 | -                    | (45)   | -   | (45)   |
| 31 December 2015                          | 2,933                             | 30,053               | 1,317  | -   | 34,303 |
| <b>Net book value:</b>                    |                                   |                      |        |   |        |
| 31 December 2014                          | 1,694                             | 5,322                | 2,184  | -   | 9,200  |
| 31 December 2015                          | 1,273                             | 4,113                | 1,712  | 812   | 7,910  |
| <b>Amortisation expense for the years</b> |                                   |                      |        |   |        |
| 2014                                      |                                   |                      |        |   | 3,158  |
| 2015                                      |                                   |                      |        |   | 2,864  |

As at 31 December 2015, certain computer software items have been fully amortisation but are still in use. The gross carrying amount (before deducting accumulated amortisation) of those assets amounted to approximately Baht 17 million (2014: Baht 16 million).

**18. Short-term borrowings from financial institutions/Other short-term loans**

(Unit: Thousand Baht)

| Type  | Interest rate<br>per annum<br>(%)  | Remaining period<br>to maturity | Consolidated<br>financial statements |                | Separate<br>financial statements |                |
|---|------------------------------------|---------------------------------|--------------------------------------|----------------|----------------------------------|----------------|
|   |                                    |                                 | 2015                                 | 2014           | 2015                             | 2014           |
| <b>Financial institution</b>                        |                                    |                                 |                                      |                |                                  |                |
| Promissory notes                                    | Interbank rate                     | Within 1 year                   | 600,000                              | 654,000        | -                                | -              |
| <b>Total borrowings from financial institutions</b> |                                    |                                 | <u>600,000</u>                       | <u>654,000</u> | <u>-</u>                         | <u>-</u>       |
| <b>Other short-term loans</b>                       |                                    |                                 |                                      |                |                                  |                |
| Bills of exchange                                   | Interbank rate<br>plus 0.50 - 1.75 | Within 1 year                   | 1,232,135                            | 987,093        | 1,181,195                        | 581,229        |
| <b>Total other loans</b>                            |                                    |                                 | <u>1,232,135</u>                     | <u>987,093</u> | <u>1,181,195</u>                 | <u>581,229</u> |

No collateral for these short-term loans from financial institutions and other short-term loans.

**19. Securities and derivatives business payables**

(Unit: Thousand Baht)

|   | Consolidated<br>financial statements |                | Separate<br>financial statements |          |
|---|--------------------------------------|----------------|----------------------------------|----------|
|   | 2015                                 | 2014           | 2015                             | 2014     |
| <b>Securities business payables</b>                           |                                      |                |                                  |          |
| Cash customers' accounts                                      | 174,859                              | 306,724        | -                                | -        |
| Securities borrowing and lending<br>payables                  | 5,195                                | -              | -                                | -        |
| <b>Total securities business payables</b>                     | <u>180,054</u>                       | <u>306,724</u> | <u>-</u>                         | <u>-</u> |
| <b>Derivatives business payables</b>                          |                                      |                |                                  |          |
| Derivatives business payables                                 | 942                                  | 491            | -                                | -        |
| <b>Total derivatives business payables</b>                    | <u>942</u>                           | <u>491</u>     | <u>-</u>                         | <u>-</u> |
| <b>Total securities and derivatives<br/>business payables</b> | <u>180,996</u>                       | <u>307,215</u> | <u>-</u>                         | <u>-</u> |

**20. Other payables**

(Unit: Thousand Baht)

|   | Consolidated<br>financial statements |                | Separate<br>financial statements |               |
|---|--------------------------------------|----------------|----------------------------------|---------------|
|   | 2015                                 | 2014           | 2015                             | 2014          |
| Accrued expenses                          | 95,232                               | 130,263        | 12,495                           | 9,818         |
| Other payables - related parties (Note 6) | -                                    | -              | 11,687                           | 1,615         |
| <b>Total other payables</b>               | <u>95,232</u>                        | <u>130,263</u> | <u>24,182</u>                    | <u>11,433</u> |

## 21. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

|  | Consolidated         |               | Separate             |            |
|--|----------------------|---------------|----------------------|------------|
|  | financial statements |               | financial statements |            |
|  | 2015                 | 2014          | 2015                 | 2014       |
| <b>Provision for long-term employee benefits</b> |                      |               |                      |            |
| <b>at the beginning of year</b>                  | 20,131               | 16,844        | 417                  | 247        |
| Included in profit or loss:                      |                      |               |                      |            |
| Current service cost                             | 4,101                | 3,643         | 192                  | 152        |
| Interest cost                                    | 893                  | 858           | 27                   | 18         |
| Included in other comprehensive income:          |                      |               |                      |            |
| Actuarial (gain) loss arising from               |                      |               |                      |            |
| Demographic assumptions changes                  | 3,032                | -             | -                    | -          |
| Financial assumptions changes                    | (421)                | -             | (231)                | -          |
| Experience adjustments                           | (6,819)              | -             | -                    | -          |
| Benefits paid during the year                    | -                    | (1,214)       | -                    | -          |
| <b>Provision for long-term employee benefits</b> |                      |               |                      |            |
| <b>at the end of year</b>                        | <u>20,917</u>        | <u>20,131</u> | <u>405</u>           | <u>417</u> |

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

(Unit: Thousand Baht)

|   | Consolidated         |              | Separate             |            |
|---|----------------------|--------------|----------------------|------------|
|   | financial statements |              | financial statements |            |
|   | 2015                 | 2014         | 2015                 | 2014       |
| Personnel expenses                          | 4,994                | 4,501        | 219                  | 170        |
| Total expenses recognised in profit or loss | <u>4,994</u>         | <u>4,501</u> | <u>219</u>           | <u>170</u> |

The Company and its subsidiaries expect to pay Baht 3 million of long-term employee benefits during the next year (The Company only: Nil) (2014: Baht 4 million, The Company only: Nil).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 19 years (The Company only: 19 years) (2014: 19 years, The Company only: 19 years).

Significant actuarial assumptions are summarised below:

|                      | (Unit: Percent per annum)         |            |                               |            |
|----------------------|-----------------------------------|------------|-------------------------------|------------|
|                      | Consolidated financial statements |            | Separate financial statements |            |
|                      | 2015                              | 2014       | 2015                          | 2014       |
| Discount rate        | 3.54                              | 4.45       | 3.54                          | 4.45       |
| Salary increase rate | 5.00                              | 7.5        | 5.00                          | 7.5        |
| Turnover rate        | 0.00-22.10                        | 0.00-23.42 | 0.00-22.10                    | 0.00-23.42 |

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below:

|   | (Unit: Thousand Baht)             |          |                      |          |                     |          |
|---|-----------------------------------|----------|----------------------|----------|---------------------|----------|
|   | Consolidated financial statements |          |                      |          |                     |          |
|   | Discount rate                     |          | Salary increase rate |          | Staff turnover rate |          |
|   | Increase                          | Decrease | Increase             | Decrease | Increase            | Decrease |
|   | 0.5%                              | 0.5%     | 1.0%                 | 1.0%     | 10.0%               | 10.0%    |
| Impact on the long-term employee benefit obligation | (759)                             | 803      | 1,613                | (1,470)  | (1,745)             | 1,979    |

|   | (Unit: Thousand Baht)         |          |                      |          |                     |                       |
|---|-------------------------------|----------|----------------------|----------|---------------------|-----------------------|
|   | Separate financial statements |          |                      |          |                     |                       |
|   | Discount rate                 |          | Salary increase rate |          | Staff turnover rate |                       |
|   | Increase                      | Decrease | Increase             | Decrease | Increase            | Decrease <sup>1</sup> |
|   | 0.5%                          | 0.5%     | 1.0%                 | 1.0%     | 10.0%               | 10.0%                 |
| Impact on the long-term employee benefit obligation | (23)                          | 24       | 49                   | (44)     | (56)                | 65                    |

## 22. Share capital

During the year ended 31 December 2015, movements in the number of ordinary shares, the paid-up share capital and premium on ordinary shares are as follows:

|                                 | Number of<br>ordinary shares<br>(Thousand shares) | Paid-up<br>share capital<br>(Thousand Baht) | Premium on<br>ordinary shares<br>(Thousand Baht) |
|---------------------------------|---|---|--|
| <u>Registered share capital</u> |   |   |  |
| At the beginning of the year    | 182,825   |   |  |
| Decrease during the year        | (7,273)   |   |  |
| Increase during the year        | 21,944  |   |  |
| At the end of the year          | <u>197,496</u>                                    |   |  |

|  | Number of<br>ordinary shares<br><hr/> (Thousand shares) | Paid-up<br>share capital<br><hr/> (Thousand Baht) | Premium on<br>ordinary shares<br><hr/> (Thousand Baht) |
|--|---|---|--|
| <u>Issued and paid-up share capital</u>                |   |   |  |
| At the beginning of the year                           | 175,552   | 877,760   | 288,009  |
| Increase in capital from<br>payment of stock dividends | <hr/> 21,943  | <hr/> 109,717                                     | <hr/> 877  |
| At the end of the year                                 | <hr/> 197,495   | <hr/> 987,477                                     | <hr/> 288,886  |

On 28 April 2015, the Annual General Meeting of the Company's shareholders passed a resolution as follows:

- Decrease the registered capital from the previous registered capital of Baht 914.125 million to be the new registered capital of Baht 877.76 million (175,552,000 shares at par value of Baht 5 each) by cancelling the registered ordinary shares remaining after the expiration of all warrants of 7,273,000 shares with a par value of Baht 5 each. The Company already registered the decrease in its share capital with the Ministry of Commerce on 12 May 2015.
- Increase the registered capital from the previous registered capital of Baht 877.76 million to be the new registered capital of Baht 987.48 million by issuing an additional 21,944,000 ordinary shares at the par value of Baht 5 each to support the payment of a stock dividend. The Company already registered the increase in its registered share capital with the Ministry of Commerce on 14 May 2015, and registered the increase in its paid-up share capital on 18 May 2015.
- Paid dividend by the Company's ordinary shares in the ratio of 8 existing shares per 1 dividend share, not exceeding 21,944,000 shares, at the par value of Baht 5 each, or shall be converted as dividend payment at Baht 0.63 per share or in the total amount not exceeding Baht 110.60 million. In case that any shareholder holds the indivisible share remaining after such allocation, the dividend shall be paid by cash at the amount of Baht 0.63 per share.

### 23. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

During the year 2015, the Company had set aside the statutory reserve of Baht 7 million from profit for the year (2014: Baht 10 million).



## 24. Income tax

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows:

|  | (Unit: Thousand Baht) |               |                      |            |
|--|-----------------------|---------------|----------------------|------------|
|  | Consolidated          |               | Separate             |            |
|  | financial statements  |               | financial statements |            |
|  | 2015                  | 2014          | 2015                 | 2014       |
| <b>Current income tax:</b>   |                       |               |                      |            |
| Current income tax charge  | 33,978                | 47,758        | -                    | -          |
| <b>Deferred tax:</b>   |                       |               |                      |            |
| Relating to origination and reversal of temporary differences                | 1,477                 | (167)         | 2,884                | 424        |
| <b>Income tax expenses reported in the statement of comprehensive income</b> | <b>35,455</b>         | <b>47,591</b> | <b>2,884</b>         | <b>424</b> |

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are as follows:

|   | (Unit: Thousand Baht) |                |                      |                |
|---|-----------------------|----------------|----------------------|----------------|
|   | Consolidated          |                | Separate             |                |
|   | financial statements  |                | financial statements |                |
|   | 2015                  | 2014           | 2015                 | 2014           |
| Deferred tax relating to loss on change in value of available-for-sale securities | (6,573)               | (6,086)        | (6,529)              | (6,083)        |
| Deferred tax relating to gain on actuarial  | 842                   | -              | 46                   | -              |
|   | <b>(5,731)</b>        | <b>(6,086)</b> | <b>(6,483)</b>       | <b>(6,083)</b> |

Reconciliation between accounting profit and increase tax expenses is shown below.

|   | (Unit: Thousand Baht) |         |                      |          |
|---|-----------------------|---------|----------------------|----------|
|   | Consolidated          |         | Separate             |          |
|   | financial statements  |         | financial statements |          |
|   | 2015                  | 2014    | 2015                 | 2014     |
| Accounting profit before tax                      | 181,560               | 239,307 | 140,847              | 197,599  |
| Applicable tax rate                               | 20%                   | 20%     | 20%                  | 20%      |
| Accounting profit before tax multiplied by        |                       |         |                      |          |
| applicable tax rate                               | 36,312                | 47,861  | 28,169               | 39,520   |
| Utilisation of previously unrecognised tax losses | -                     | -       | -                    | (1,140)  |
| Effects of:                                       |                       |         |                      |          |
| Tax exempted revenue                              | (1,283)               | (1,075) | (25,285)             | (37,966) |
| Non-deductible expenses                           | 661                   | 942     | -                    | -        |
| Additional expense deductions allowed             | (211)                 | (147)   | -                    | -        |
| Others  | (24)                  | 10      | -                    | 10       |
| Total   | (857)                 | (270)   | (25,285)             | (37,956) |
| Income tax expenses reported in the statement     |                       |         |                      |          |
| of comprehensive income                           | 35,455                | 47,591  | 2,884                | 424      |

The components of deferred tax assets and deferred tax liabilities are as follows:

|   | (Unit: Thousand Baht)            |             |                    |             |
|---|----------------------------------|-------------|--------------------|-------------|
|   | Statements of financial position |             |                    |             |
|   | Consolidated financial           |             | Separate financial |             |
|   | statements                       |             | statements         |             |
|   | As at                            | As at       | As at              | As at       |
|   | 31 December                      | 31 December | 31 December        | 31 December |
|   | 2015                             | 2014        | 2015               | 2014        |
| <b>Deferred tax assets</b>                              |                                  |             |                    |             |
| Allowance for doubtful accounts                         | 11,314                           | 11,514      | -                  | -           |
| Unrealised loss from revaluation of trading investments | 1,283                            | 813         | 26                 | 31          |
| Loss on re-measuring available-for-sale investments     | 11,122                           | 4,549       | 11,024             | 4,495       |
| Loss on from revaluation of derivatives                 | 24                               | -           | -                  | -           |
| Provision for long-term employee benefits               | 4,183                            | 4,026       | 81                 | 83          |
| Unused tax loss   | 7,749                            | 10,673      | 7,749              | 10,673      |
| Total   | 35,675                           | 31,375      | 18,880             | 15,282      |

(Unit: Thousand Baht)

|   | Statements of financial position  |                              |                               |                              |
|---|-----------------------------------|------------------------------|-------------------------------|------------------------------|
|   | Consolidated financial statements |                              | Separate financial statements |                              |
|   | As at<br>31 December<br>2015      | As at<br>31 December<br>2014 | As at<br>31 December<br>2015  | As at<br>31 December<br>2014 |
| <b>Deferred tax liabilities</b>                 |                                   |                              |                               |                              |
| Unrealised gain from revaluation of derivatives | -                                 | 154                          | -                             | -                            |
| Total   | -                                 | 154                          | -                             | -                            |
| Deferred tax assets - net                       | 35,675                            | 31,421                       | 18,880                        | 15,282                       |

As at 31 December 2015 the subsidiary has deductible temporary differences totaling Baht 0.2 million (2014: Baht 0.2 million), on which deferred tax assets have not been recognised as the subsidiary believes that it may not be utilised.

## 25. Securities business income

(Unit: Thousand Baht)

|                          | Consolidated         |         | Separate             |      |
|--------------------------|----------------------|---------|----------------------|------|
|                          | financial statements |         | financial statements |      |
|                          | 2015                 | 2014    | 2015                 | 2014 |
| Brokerage fees           | 339,859              | 392,639 | -                    | -    |
| Fees and service income  | 44,714               | 63,773  | -                    | -    |
| Interest and dividend    | 40,005               | 35,406  | -                    | -    |
| Interest on margin loans | 129,808              | 126,171 | -                    | -    |
| Total                    | 554,386              | 617,989 | -                    | -    |

## 26. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year. The number of ordinary shares of the prior period used for the calculation, as presented for comparative purposes, has been adjusted in proportion to the change in the number of shares as a result of the distribution of the stock dividends of 21,943 million shares on 28 April 2015, as discussed in Note 22 to the financial statements, as if the shares comprising such stock dividends had been issued at the beginning of the earliest period reported.

|   | Consolidated         |            | Separate             |            |
|---|----------------------|------------|----------------------|------------|
|   | financial statements |            | financial statements |            |
|   | 2015                 | 2014       | 2015                 | 2014       |
|   |                      | (Restated) |                      | (Restated) |
| Profit for the year (Thousand Baht)                             | 146,105              | 191,716    | 137,963              | 197,175    |
| Weighted average number of<br>ordinary shares (Thousand shares) | 197,495              | 197,495    | 197,495              | 197,495    |
| Earnings per share (Baht/share)                                 | 0.74                 | 0.97       | 0.70                 | 1.00       |

## 27. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company and its subsidiaries are organised into business units based on their products and services and have 2 reportable segments which are Securities and Derivatives Business, and Financial Advisory Business.

The authorised operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. However, the Company and its subsidiaries are not allocated operating expenses and income tax expenses to operating segments.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue, and profit information regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2015 and 2014, respectively.

(Unit: Million Baht)

|  | For the year ended 31 December 2015       |                                   |                                 |                                    |            |
|--|---|-----------------------------------|---------------------------------|------------------------------------|------------|
|  | Securities and<br>Derivatives<br>Business | Financial<br>Advisory<br>Business | Total<br>reportable<br>segments | Adjustments<br>and<br>eliminations | Total      |
| Revenue from external customers              | 514                                       | 24                                | 538                             | -                                  | 538        |
| Inter-segment revenue                        | 3   | 136                               | 139                             | (139)                              | -          |
| Interest revenue                             | 166                                       | 36                                | 202                             | -                                  | 202        |
| Interest expenses                            | (64)                                      | -                                 | (64)                            | -                                  | (64)       |
| Share of profit from investment in associate | -   | 1                                 | 1                               | -                                  | 1          |
| <b>Segment profit</b>                        | <b>553</b>                                | <b>53</b>                         | <b>606</b>                      | <b>-</b>                           | <b>606</b> |
| <b>Unallocated expenses:</b>                 |   |                                   |                                 |                                    |            |
| Operating expenses                           |   |                                   |                                 |                                    |            |
| Personnel expenses                           |   |                                   |                                 |                                    | (327)      |
| Premises and equipment expenses              |   |                                   |                                 |                                    | (63)       |
| Other expenses                               |   |                                   |                                 |                                    | (35)       |
| Income tax expenses                          |   |                                   |                                 |                                    | (35)       |
| <b>Profit for the year</b>                   |   |                                   |                                 |                                    | <b>146</b> |

(Unit: Million Baht)

|  | For the year ended 31 December 2014       |                                   |                                 |                                    |            |
|--|---|-----------------------------------|---------------------------------|------------------------------------|------------|
|  | Securities and<br>Derivatives<br>Business | Financial<br>Advisory<br>Business | Total<br>reportable<br>segments | Adjustments<br>and<br>eliminations | Total      |
| Revenue from external customers              | 667                                       | 25                                | 692                             | -                                  | 692        |
| Inter-segment revenue                        | 188                                       | 21                                | 209                             | (209)                              | -          |
| Interest revenue                             | 157                                       | -                                 | 157                             | -                                  | 157        |
| Interest expenses                            | (56)                                      | -                                 | (56)                            | -                                  | (56)       |
| Share of profit from investment in associate | -   | 1                                 | 1                               | -                                  | 1          |
| <b>Segment profit</b>                        | <b>685</b>                                | <b>24</b>                         | <b>709</b>                      | <b>-</b>                           | <b>709</b> |
| <b>Unallocated expenses:</b>                 |   |                                   |                                 |                                    |            |
| Operating expenses                           |   |                                   |                                 |                                    |            |
| Personnel expenses                           |   |                                   |                                 |                                    | (376)      |
| Premises and equipment expenses              |   |                                   |                                 |                                    | (62)       |
| Other expenses                               |   |                                   |                                 |                                    | (32)       |
| Income tax expenses                          |   |                                   |                                 |                                    | (47)       |
| <b>Profit for the year</b>                   |   |                                   |                                 |                                    | <b>192</b> |

The following table presents segment assets of the Company's and its subsidiary' operating segments as at 31 December 2015 and 2014:

(Unit: Million Baht)

| Segment assets      | Securities<br>and<br>Derivative<br>business | Financial<br>Advisory<br>business | Total<br>segments | Unallocated<br>assets | Total |
|---------------------|---|-----------------------------------|-------------------|-----------------------|-------|
| At 31 December 2015 | 3,072                                       | 5                                 | 3,077             | 651                   | 3,728 |
| At 31 December 2014 | 3,509                                       | 1                                 | 3,510             | 524                   | 4,034 |

### Geographic information

The Company and its subsidiaries are operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

### Major customers

For the year 2015 and 2014, the Company and its subsidiaries have no major customer with revenue of 10 per cent or more of an entity's revenues.

## 28. Provident fund

The Company and its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company and its subsidiaries contributed to the fund monthly at the rate of 3% - 15% of basic salary. The fund, which is managed by UOB Funds (Thailand) Company Limited, will be paid to employees upon termination in accordance with the fund rules.

The contributions from the Company and its subsidiaries for the year 2015 amounting to approximately of Baht 14 million (The Company only: Baht 1 million) (2014: Baht 12 million, The Company only: Baht 1 million) were recognised as expenses.

## 29. Dividend paid

| Dividends                 | Approved by   | Approved dividend<br>per share | Interim dividend<br>per share | Additional<br>dividend<br>paid per share | Total additional<br>dividend<br>paid |
|---------------------------|---|--------------------------------|-------------------------------|--|--------------------------------------|
|                           |   | (Baht)                         | (Baht)                        | (Baht)                                   | (Thousand Baht)                      |
| Final dividend for 2013   | Annual General Meeting of the shareholders on 25 April 2014 | 0.60                           | (0.30)                        | 0.30                                     | 52,666                               |
| Interim dividend for 2014 | Board of Directors' Meeting on 7 August 2014                | 0.25                           | -                             | 0.25                                     | 43,888                               |
| Total                     |   |                                |                               |  | 96,554                               |
| Final dividend for 2014   | Annual General Meeting of the shareholders on 28 April 2015 | 0.32                           | (0.25)                        | 0.07                                     | 12,292                               |
| Stock dividend for 2014   | Annual General Meeting of the shareholders on 28 April 2015 | 0.63                           | -                             | 0.63                                     | 109,594                              |
| Interim dividend for 2015 | Board of Directors' Meeting on 14 August 2015               | 0.25                           | -                             | 0.25                                     | 49,374                               |
| Total                     |   |                                |                               |  | 172,260                              |

### 30. Commitments and contingent liabilities

30.1 The subsidiaries have the outstanding rental and service commitments under long-term lease agreements for its office and equipment as follows:

(Unit: Million Baht)

|                             | Consolidated         |      | Separate             |      |
|-----------------------------|----------------------|------|----------------------|------|
|                             | financial statements |      | financial statements |      |
|                             | 2015                 | 2014 | 2015                 | 2014 |
| Payable:                    |                      |      |                      |      |
| In up to 1 year             | 26.6                 | 25.6 | -                    | -    |
| In over 1 and up to 5 years | 20.6                 | 43.4 | -                    | -    |

30.2 Trinity Securities Company Limited, the Company's subsidiary, has commitments to pay the fees related to its securities business to the Stock Exchange of Thailand and Thailand Clearing House Company Limited. These comprise a monthly fixed amount and/or a percentage of trading volume each month and/or a percentage of net settlements each month.

30.3 Trinity Securities Company Limited, the Company's subsidiary, has commitments to pay the fees related to its derivatives business to Thailand Futures Exchange Public Company Limited and Thailand Clearing House Company Limited. These comprise a monthly fixed amount and/or at the fixed payment for each purchase or sale of a futures contract transaction.

30.4 Trinity Securities Company Limited, the Company's subsidiary, is required to pay fee to the Office of the Securities and Exchange Commission in relation to securities business licenses for securities brokerage, securities trading, investment advisory, securities underwriting, securities borrowing and lending and private fund asset management. The fee is charged at the certain rate from the aforesaid activities.

30.5 Trinity Securities Company Limited, the Company's subsidiary, has commitments to pay certain service fees to Thailand Securities Depository Company Limited (TSD), as its Back Office Service Bureau. These comprise a monthly fixed amount and certain other fees specified in the agreement.

30.6 As at 31 December 2015 and 2014, the Company's subsidiary has commitments in respect of futures contracts and options traded through the Thailand Futures Exchange as detailed in Note 32.3 to the financial statements.

### 31. Fair value hierarchy

As at 31 December 2015, the Company and its subsidiaries had the assets and liabilities that were measured at fair value or their fair values were disclosed using different levels of inputs as follows:

(Unit: Million Baht)

|   | Consolidated financial statements |         |         |       |
|---|-----------------------------------|---------|---------|-------|
|   | Level 1                           | Level 2 | Level 3 | Total |
| <b>Financial assets measured at fair value</b>      |                                   |         |         |       |
| Investments in trading securities                   |                                   |         |         |       |
| Equity securities                                   | 101                               | -       | -       | 101   |
| Debt securities                                     | -                                 | 51      | -       | 51    |
| Investments in available-for-sale securities        |                                   |         |         |       |
| Equity securities                                   | 133                               | -       | -       | 133   |
| Unit trusts   | -                                 | 5       | -       | 5     |
| Debt securities                                     | -                                 | 208     | -       | 208   |
| Derivatives   |                                   |         |         |       |
| Options   | 1                                 | -       | -       | 1     |
| <b>Financial liabilities measured at fair value</b> |                                   |         |         |       |
| Derivatives   |                                   |         |         |       |
| Options   | 1                                 | -       | -       | 1     |

(Unit: Million Baht)

|  | Separate financial statements |         |         |       |
|--|-------------------------------|---------|---------|-------|
|  | Level 1                       | Level 2 | Level 3 | Total |
| <b>Financial assets measured at fair value</b> |                               |         |         |       |
| Investments in trading investments             |                               |         |         |       |
| Equity securities                              | 6                             | -       | -       | 6     |
| Investments in available-for-sale securities   |                               |         |         |       |
| Equity securities                              | 133                           | -       | -       | 133   |



## 32. Financial instruments

### 32.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, receivables from Clearing House, securities and derivatives business receivables, investments, other receivables, short-term loans, derivatives assets, payables to Clearing House, securities and derivatives business payables, other payables, derivatives liabilities, and borrowings. The financial risks associated with these financial instruments and how they are managed is described below.

#### **Credit risk**

The Company and its subsidiaries are exposed to credit risk primarily with respect to deposits at financial institutions, investments in debt securities, receivables from Clearing House, securities and derivatives business receivables, other receivables, short-term loans to subsidiary and short-term loans to others.

To control this risk, the management set proper policies and procedures for credit control, i.e. an establishment of credit approval authority from those of officer's level to the Credit Committee and Board of Directors; rules regulating a cluster of credit provision to any particular clients/counterparties; specification of securities eligible for credit offer; analysis of debt settlement ability of both clients and counterparties; and an annual review of credit line. In addition, the Company and its subsidiaries' credits are not clustered in any particular group of clients or counterparties given that the Company and its subsidiaries has a large and diversified client base. As a result, the Company and its subsidiaries did not expect to suffer any material adverse affect from its credit provision. However, the maximum exposure to credit risk is limited to the carrying amounts as follows:

(Unit: Million Baht)

|  | Consolidated financial statements |       | Separate financial statements |      |
|--|-----------------------------------|-------|-------------------------------|------|
|  | 2015                              | 2014  | 2015                          | 2014 |
| <b>Financial assets</b>  |                                   |       |                               |      |
| Deposits at financial institutions in the name of Company and on behalf of customers | 1,176                             | 819   | 2                             | 2    |
| Investments in debt securities   | 259                               | 216   | -                             | -    |
| Receivables from Clearing House  | 168                               | 237   | -                             | -    |
| Securities and derivatives business receivables                                      | 2,337                             | 2,764 | -                             | -    |
| Other receivables  | 21                                | 47    | 95                            | 150  |
| Short-term loans to subsidiary   | -                                 | -     | 707                           | 122  |
| Short-term loans to others   | 452                               | 300   | 452                           | 300  |

**Interest rate risk**

The Company and its subsidiaries' exposure to interest rate risk relates primarily to their deposits at financial institutions, investments in debt securities, securities business receivables - credit balance accounts, and borrowings. However, since most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. In addition, to reduce the interest rate risk, the Company and its subsidiaries has determined the maximum limit for investments as appropriate. As a result, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2015 and 2014 classified by type of interest rates and, for those financial assets and liabilities are categorised by the contractual repricing or maturity date (whichever is earlier) are as follows:

(Unit: Million Baht)

| Consolidated financial statement                  |                             |               |             |              |               |             |       |                             |  |
|---|-----------------------------|---------------|-------------|--------------|---------------|-------------|-------|-----------------------------|--|
| 2015  |                             |               |             |              |               |             |       |                             |  |
| Outstanding balances of net financial instruments |                             |               |             |              |               |             |       |                             |  |
| Floating interest rate                            | Fixed interest rate         |               |             |              |               | No interest | Total | Interest rate per annum (%) |  |
|   | Repricing or maturity dates |               |             |              | Floating rate |             |       | Fixed rate                  |  |
|   | At call                     | Within 1 year | 1 - 5 years | Over 5 years |               |             |       |                             |  |
| <b>Financial instruments - assets</b>             |                             |               |             |              |               |             |       |                             |  |
| Cash and cash equivalents                         | -                           | 51            | -           | -            | -             | 11          | 62    | -                           | Fixed deposit interest rate plus 0.50 - 1.90 |
| Investments                                       |                             |               |             |              |               |             |       |                             |  |
| - Equity securities                               | -                           | -             | -           | -            | -             | 246         | 246   | -                           | -  |
| - Debt securities                                 | -                           | -             | 208         | 36           | 15            | -           | 259   | -                           | 2.10 - 5.10                                  |
| Receivables from Clearing House                   | -                           | -             | -           | -            | -             | 168         | 168   | -                           | -  |
| Securities and derivatives business receivables   | 2,238                       | -             | -           | -            | -             | 99          | 2,337 | 5.50 - 15.00                | -  |
| Other receivables                                 | -                           | -             | -           | -            | -             | 21          | 21    | -                           | -  |
| Short-term loans to others                        | -                           | -             | 452         | -            | -             | -           | 452   | -                           | MLR  |
| Derivatives assets                                | -                           | -             | -           | -            | -             | 1           | 1     | -                           | -  |
| <b>Financial instruments - liabilities</b>        |                             |               |             |              |               |             |       |                             |  |
| Short-term borrowings from financial institutions | -                           | 500           | 100         | -            | -             | -           | 600   | -                           | Interbank rate                               |
| Securities and derivatives business payables      | -                           | -             | -           | -            | -             | 181         | 181   | -                           | -  |
| Other short-term borrowings                       | -                           | -             | 1,232       | -            | -             | -           | 1,232 | -                           | Interbank rate plus 0.90 - 1.85              |
| Other payables                                    | -                           | -             | -           | -            | -             | 95          | 95    | -                           | -  |
| Derivatives liabilities                           | -                           | -             | -           | -            | -             | 1           | 1     | -                           | -  |

(Unit: Million Baht)

| Consolidated financial statement                  |                             |               |             |              |               |             |       |                             |  |
|---|-----------------------------|---------------|-------------|--------------|---------------|-------------|-------|-----------------------------|--|
| 2014  |                             |               |             |              |               |             |       |                             |  |
| Outstanding balances of net financial instruments |                             |               |             |              |               |             |       |                             |  |
| Floating interest rate                            | Fixed interest rate         |               |             |              |               | No interest | Total | Interest rate per annum (%) |  |
|   | Repricing or maturity dates |               |             |              | Floating rate |             |       | Fixed rate                  |  |
|   | At call                     | Within 1 year | 1 - 5 years | Over 5 years |               |             |       |                             |  |
| <b>Financial instruments - assets</b>             |                             |               |             |              |               |             |       |                             |  |
| Cash and cash equivalents                         | -                           | 63            | -           | -            | -             | 14          | 77    | -                           | Fixed deposit interest rate plus 0.50 - 2.00 |
| Investments                                       |                             |               |             |              |               |             |       |                             |  |
| - Equity securities                               | -                           | -             | -           | -            | -             | 211         | 211   | -                           | -  |
| - Debt securities                                 | -                           | -             | 182         | 12           | 22            | -           | 216   | -                           | 4.25 - 5.30                                  |
| Receivables from Clearing House                   | -                           | -             | -           | -            | -             | 237         | 237   | -                           | -  |
| Securities and derivatives business receivables   | 2,305                       | -             | -           | -            | -             | 459         | 2,764 | 5.50 - 15.00                | -  |
| Other receivables                                 | -                           | -             | -           | -            | -             | 47          | 47    | -                           | -  |
| Short-term loans to others                        | -                           | -             | 300         | -            | -             | -           | 300   | -                           | MLR  |

(Unit: Million Baht)

| Consolidated financial statement                  |                             |               |             |              |               |             |       |                             |                                 |
|---|-----------------------------|---------------|-------------|--------------|---------------|-------------|-------|-----------------------------|---------------------------------|
| 2014  |                             |               |             |              |               |             |       |                             |                                 |
| Outstanding balances of net financial instruments |                             |               |             |              |               |             |       |                             |                                 |
| Floating interest rate                            | Fixed interest rate         |               |             |              |               | No interest | Total | Interest rate per annum (%) |                                 |
|   | Repricing or maturity dates |               |             |              | Floating rate |             |       | Fixed rate                  |                                 |
|   | At call                     | Within 1 year | 1 - 5 years | Over 5 years |               |             |       |                             |                                 |
| <b>Financial instruments - liabilities</b>        |                             |               |             |              |               |             |       |                             |                                 |
| Short-term borrowings from financial institutions | -                           | 554           | 100         | -            | -             | -           | 654   | -                           | Interbank rate                  |
| Payables to Clearing House                        | -                           | -             | -           | -            | -             | 376         | 376   | -                           | -                               |
| Securities and derivatives business payables      | -                           | -             | -           | -            | -             | 307         | 307   | -                           | -                               |
| Other short-term borrowings                       | -                           | -             | 987         | -            | -             | -           | 987   | -                           | Interbank rate plus 0.90 - 1.85 |
| Other payables                                    | -                           | -             | -           | -            | -             | 130         | 130   | -                           | -                               |

(Unit: Million Baht)

| Separate financial statement                      |                             |               |             |              |               |             |       |                             |   |
|---|-----------------------------|---------------|-------------|--------------|---------------|-------------|-------|-----------------------------|---|
| 2015  |                             |               |             |              |               |             |       |                             |   |
| Outstanding balances of net financial instruments |                             |               |             |              |               |             |       |                             |   |
| Floating interest rate                            | Fixed interest rate         |               |             |              |               | No interest | Total | Interest rate per annum (%) |   |
|   | Repricing or maturity dates |               |             |              | Floating rate |             |       | Fixed rate                  |   |
|   | At call                     | Within 1 year | 1 - 5 years | Over 5 years |               |             |       |                             |   |
| <b>Financial instruments - assets</b>             |                             |               |             |              |               |             |       |                             |   |
| Cash and cash equivalents                         | -                           | -             | -           | -            | -             | 2           | 2     | -                           | -   |
| Investments                                       | -                           | -             | -           | -            | -             | 147         | 147   | -                           | -   |
| - Equity securities                               | -                           | -             | -           | -            | -             | 147         | 147   | -                           | -   |
| Other receivables                                 | -                           | -             | -           | -            | -             | 95          | 95    | -                           | -   |
| Short-term loans to subsidiary                    | -                           | 707           | -           | -            | -             | -           | 707   | -                           | Saving deposit interest rate plus 0.25 - 0.75 |
| Short-term loans to others                        | -                           | -             | 452         | -            | -             | -           | 452   | -                           | MLR   |
| <b>Financial instruments - liabilities</b>        |                             |               |             |              |               |             |       |                             |   |
| Short-term loans from subsidiaries                | -                           | 7             | -           | -            | -             | -           | 7     | -                           | Saving deposit interest rate plus 0.50 - 1.00 |
| Other short-term borrowings                       | -                           | -             | 1,181       | -            | -             | -           | 1,181 | -                           | Interbank plus 0.90 - 1.75                    |
| Other payables                                    | -                           | -             | -           | -            | -             | 24          | 24    | -                           | -   |

(Unit: Million Baht)

| Separate financial statement                      |                             |               |             |              |   |             |       |                             |   |
|---|-----------------------------|---------------|-------------|--------------|---|-------------|-------|-----------------------------|---|
| 2014  |                             |               |             |              |   |             |       |                             |   |
| Outstanding balances of net financial instruments |                             |               |             |              |   |             |       |                             |   |
| Floating interest rate                            | Fixed interest rate         |               |             |              |   | No interest | Total | Interest rate per annum (%) |   |
|   | Repricing or maturity dates |               |             |              |   |             |       | Floating rate               | Fixed rate                                  |
|   | At call                     | Within 1 year | 1 - 5 years | Over 5 years |   |             |       |                             |   |
| <b>Financial instruments - assets</b>             |                             |               |             |              |   |             |       |                             |   |
| Cash and cash equivalents                         | -                           | -             | -           | -            | - | 2           | 2     | -                           | -   |
| Investments                                       |                             |               |             |              |   |             |       |                             |   |
| - Equity securities                               | -                           | -             | -           | -            | - | 176         | 176   | -                           | -   |
| Other receivables                                 | -                           | -             | -           | -            | - | 150         | 150   | -                           | -   |
| Short-term loans to subsidiary                    | -                           | 122           | -           | -            | - | -           | 122   | -                           | Saving deposit interest rate plus 0.5 - 1.0 |
| Short-term loans to others                        | -                           | -             | 300         | -            | - | -           | 300   | -                           | MLR   |
| <b>Financial instruments - liabilities</b>        |                             |               |             |              |   |             |       |                             |   |
| Short-term loans from subsidiaries                | -                           | 11            | -           | -            | - | -           | 11    | -                           | Saving deposit interest rate plus 0.5 - 1.0 |
| Other short-term borrowings                       | -                           | -             | 581         | -            | - | -           | 581   | -                           | Interbank plus 0.90 - 1.85                  |
| Other payables                                    | -                           | -             | -           | -            | - | 11          | 11    | -                           | -   |

## Liquidity risk

Liquidity risk is the risk that the Company and its subsidiaries will be unable to liquidate its financial assets and/or procure sufficient funds to discharge their obligations in a timely manner, resulting in the Company and its subsidiaries incurring a financial loss.

The Company and its subsidiaries' liquidity risk are in connection with their assets and financial obligations. However, given that most of the Company and its subsidiaries' assets and financial obligations are short-term, the liquidity risk is low.

To control this risk, the management reviews the Company and its subsidiaries' net capital ratio report on a daily basis and instructs any departments engaging in new transactions which may have effects on the Company and its subsidiaries' liquidity to check with the Accounting and Finance Department so as to make sure that such transactions will not cause the Company and its subsidiaries' net capital ratio to be lower than the Company and its subsidiaries' specified ratio which is higher than that prescribed by the Office of the Securities and Exchange Commission. In case that a financial crisis arises in the Company and its subsidiaries, the management will closely follow up and monitor all transactions.

During the current year, the Company and its subsidiaries were able to maintain a net capital ratio exceeding the requirement laid down by the Office of Securities and Exchange Commission.

The years of time from the end of reporting date to the maturity dates of financial instruments as of 31 December 2015 and 2014 follows:

(Unit: Million Baht)

| Consolidated financial statement                   |         |                  |             |                 |                |       |
|--|---------|------------------|-------------|-----------------|----------------|-------|
| 2015   |         |                  |             |                 |                |       |
| Outstanding balances of net financial instruments  |         |                  |             |                 |                |       |
|  | At call | Within<br>1 year | 1 - 5 years | Over 5<br>years | No<br>maturity | Total |
| <b>Financial instruments - assets</b>              |         |                  |             |                 |                |       |
| Cash and cash equivalents                          | 62      | -                | -           | -               | -              | 62    |
| Investments  |         |                  |             |                 |                |       |
| - Equity securities                                | -       | -                | -           | -               | 246            | 246   |
| - Debt securities                                  | -       | 208              | 36          | 15              | -              | 259   |
| Receivables from Clearing House                    | -       | 153              | -           | -               | 15             | 168   |
| Securities and derivatives business<br>receivables | -       | 99               | -           | -               | 2,238          | 2,337 |
| Other receivables                                  | -       | 21               | -           | -               | -              | 21    |
| Short-term loans to others                         | -       | 452              | -           | -               | -              | 452   |
| Derivatives assets                                 | -       | 1                | -           | -               | -              | 1     |
| <b>Financial instruments - liabilities</b>         |         |                  |             |                 |                |       |
| Short-term borrowings from financial institutions  | 500     | 100              | -           | -               | -              | 600   |
| Securities and derivatives business payables       | -       | 181              | -           | -               | -              | 181   |
| Other short-term borrowings                        | -       | 1,232            | -           | -               | -              | 1,232 |
| Other payables                                     | -       | 95               | -           | -               | -              | 95    |
| Derivatives liabilities                            | -       | 1                | -           | -               | -              | 1     |

(Unit: Million Baht)

| Consolidated financial statement                   |         |                  |             |                 |                |       |
|--|---------|------------------|-------------|-----------------|----------------|-------|
| 2014   |         |                  |             |                 |                |       |
| Outstanding balances of net financial instruments  |         |                  |             |                 |                |       |
|  | At call | Within<br>1 year | 1 - 5 years | Over 5<br>years | No<br>maturity | Total |
| <b>Financial instruments - assets</b>              |         |                  |             |                 |                |       |
| Cash and cash equivalents                          | 77      | -                | -           | -               | -              | 77    |
| Investments  |         |                  |             |                 |                |       |
| - Equity securities                                | -       | -                | -           | -               | 211            | 211   |
| - Debt securities                                  | -       | 182              | 12          | 22              | -              | 216   |
| Receivables from Clearing House                    | -       | 215              | -           | -               | 22             | 237   |
| Securities and derivatives business<br>receivables | -       | 459              | -           | -               | 2,305          | 2,764 |
| Other receivables                                  | -       | 47               | -           | -               | -              | 47    |
| Short-term loans to others                         | -       | 300              | -           | -               | -              | 300   |

(Unit: Million Baht)

## Consolidated financial statement

2014

## Outstanding balances of net financial instruments

|   | Within  |        | Over 5<br>years | No<br>maturity | Total |
|---|---------|--------|-----------------|----------------|-------|
|   | At call | 1 year |                 |                |       |
| <b>Financial instruments - liabilities</b>        |         |        |                 |                |       |
| Short-term borrowings from financial institutions | 554     | 100    | -               | -              | 654   |
| Payables to Clearing House                        | -       | 376    | -               | -              | 376   |
| Securities and derivatives business payables      | -       | 307    | -               | -              | 307   |
| Other short-term borrowings                       | -       | 987    | -               | -              | 987   |
| Other payables                                    | -       | 130    | -               | -              | 130   |

(Unit: Million Baht)

## Separate financial statement

2015

## Outstanding balances of net financial instruments

|                                       | Within  |        | Over 5<br>years | No<br>maturity | Total |
|---------------------------------------|---------|--------|-----------------|----------------|-------|
|                                       | At call | 1 year |                 |                |       |
| <b>Financial instruments - assets</b> |         |        |                 |                |       |
| Cash and cash equivalents             | 2       | -      | -               | -              | 2     |
| Investments                           |         |        |                 |                |       |
| - Equity securities                   | -       | -      | -               | 147            | 147   |
| Other receivables                     | -       | 95     | -               | -              | 95    |
| Short-term loans to subsidiary        | 707     | -      | -               | -              | 707   |
| Short-term loans to others            | -       | 452    | -               | -              | 452   |

**Financial instruments - liabilities**

|                                    |   |       |   |   |       |
|------------------------------------|---|-------|---|---|-------|
| Short-term loans from subsidiaries | 7 | -     | - | - | 7     |
| Other short-term borrowings        | - | 1,181 | - | - | 1,181 |
| Other payables                     | - | 24    | - | - | 24    |

(Unit: Million Baht)

## Separate financial statement

2014

## Outstanding balances of net financial instruments

|                                       | Within  |        | Over 5<br>years | No<br>maturity | Total |
|---------------------------------------|---------|--------|-----------------|----------------|-------|
|                                       | At call | 1 year |                 |                |       |
| <b>Financial instruments - assets</b> |         |        |                 |                |       |
| Cash and cash equivalents             | 2       | -      | -               | -              | 2     |
| Investments                           |         |        |                 |                |       |
| - Equity securities                   | -       | -      | -               | 176            | 176   |
| Other receivables                     | -       | 150    | -               | -              | 150   |
| Short-term loans to subsidiary        | 122     | -      | -               | -              | 122   |
| Short-term loans to others            | -       | 300    | -               | -              | 300   |

(Unit: Million Baht)

|  | Separate financial statement                      |                  |             |                 |                | Total |
|--|---|------------------|-------------|-----------------|----------------|-------|
|  | 2014  |                  |             |                 |                |       |
|  | Outstanding balances of net financial instruments |                  |             |                 |                |       |
|  | At call   | Within<br>1 year | 1 - 5 years | Over 5<br>years | No<br>maturity |       |
| <b>Financial instruments - liabilities</b> |   |                  |             |                 |                |       |
| Short-term loans from subsidiaries         | 11  | -                | -           | -               | -              | 11    |
| Other short-term borrowings                | -   | 581              | -           | -               | -              | 581   |
| Other payables                             | -   | 11               | -           | -               | -              | 11    |

### Foreign currency risk

A foreign exchange rate risk is a risk arising in case where a financial instrument's value is changed due to a change in the foreign exchange rate. The subsidiary is exposed to this risk due to the fact that it has made certain investments in derivatives denominated in foreign currency. However, the subsidiary entered into a forward contract to mitigate the risk.

To control this risk, the management instructed the Proprietary Committee to set policy and stipulations for investment and limit of loss from foreign exchange rate. In this regard, the Risk Management and Management Information Department is assigned to follow up the risk management and regularly report results to the Proprietary Committee both on a daily and monthly basis to ensure that the overall investment risks are acceptable to the Company and its subsidiaries.

As at 31 December 2015 and 2014, outstanding balances of financial assets denominated in foreign currencies of Trinity Securities Company Limited, the Company's subsidiary, are as follows:

| Foreign currency | Financial assets |           | Exchange rate                      |       |
|------------------|------------------|-----------|------------------------------------|-------|
|                  | 2015             | 2014      | 2015                               | 2014  |
|                  | (Million)        | (Million) | (Baht per 1 foreign currency unit) |       |
| US Dollar        | -                | 0.09      | -                                  | 32.96 |



Foreign exchange forward contracts outstanding as at 31 December 2014 are summarised below (2015: Nil).

| Foreign currency | 2014                |                      |                                    |                      |                           |
|------------------|---------------------|----------------------|------------------------------------|----------------------|---------------------------|
|                  | Amount              |                      | Contractual exchange rate          |                      | Contractual maturity date |
|                  | The subsidiary buys | The subsidiary sells | The subsidiary buys                | The subsidiary sells |                           |
|                  | (Million)           | (Million)            | (Baht per 1 foreign currency unit) |                      |                           |
| US Dollar        | -                   | 0.09                 | -                                  | 33.00                |                           |

### Market risk

The Company and its subsidiaries' price fluctuation risk are in connection with investment in securities and derivatives.

To control this risk, the management instructs the Proprietary Committee to stipulate the investment policy and requirements and rules to limit loss (Stop Loss Limit) from the Company and its subsidiaries' proprietary trading. In this regard, the Risk Management and Management Information Department is assigned to follow up the risk management and regularly report results to the Proprietary Committee both on a daily and monthly basis to ensure that the investment risks are acceptable to the Company and its subsidiaries.

### 32.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

The methods and assumptions used by the Company and its subsidiaries in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, receivables from Clearing House, securities and derivatives business receivables, short-term loans, short-term borrowings, payables to Clearing House, and securities and derivatives business payables, their carrying amounts in the statement of financial position approximate their fair value.
- b) For investment in debts securities, their fair values, are generally derived from quoted market prices or determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.
- c) For investment in marketable equity securities and derivatives, their fair values, are generally derived from quoted market prices.

During the current year, there were no transfers within the fair value hierarchy.

### 32.3 Commitments in respect of derivatives trading

As at 31 December 2015 and 2014, the fair values of financial derivatives which are the commitments of Trinity Securities Company Limited, the Company's subsidiary, are as follows:

(Unit: Million Baht)

|                     | 2015                                  |                 |                 |                   | Total |
|---------------------|---------------------------------------|-----------------|-----------------|-------------------|-------|
|                     | Remaining period before maturity date |                 |                 |                   |       |
|                     | 1 - 3<br>months                       | 3 - 6<br>months | 6 - 9<br>months | 10 - 12<br>months |       |
| Futures and Options |                                       |                 |                 |                   |       |
| Long position       | 5                                     | 3               | -               | -                 | 8     |
| Short position      | 79                                    | -               | 15              | -                 | 94    |

(Unit: Million Baht)

|                     | 2014                                  |                 |                 |                   | Total |
|---------------------|---------------------------------------|-----------------|-----------------|-------------------|-------|
|                     | Remaining period before maturity date |                 |                 |                   |       |
|                     | 1 - 3<br>months                       | 3 - 6<br>months | 6 - 9<br>months | 10 - 12<br>months |       |
| Futures and Options |                                       |                 |                 |                   |       |
| Long position       | 61                                    | -               | -               | -                 | 61    |
| Short position      | 28                                    | 11              | -               | -                 | 39    |

### 33. Capital management

The primary objectives of the Company and its subsidiaries' capital management is to ensure that it has an appropriate financing structure, to preserve the ability to continue its business as a going concern, and to maintain net capital ratio in accordance with the rules laid down by the Office of the Securities and Exchange Commission.

### 34. Event after the reporting period

On 24 February 2016, the Company's Board of Directors passed a resolution to propose that the Annual General Meeting of shareholders to be held on 27 April 2016 adopt a resolution to pay a year-end dividend of Baht 0.35 per share in respect of the operating result of 2015, or a total of Baht 69.13 million. The dividend payment is scheduled for 17 May 2016 and represents a total dividend payment is Baht 0.60 per share, inclusive of the interim dividend of Baht 0.25 per share.

Such dividend will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

### 35. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2016.